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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92052897
Party	Plaintiff Thomas SkÅ¶ld
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Date	04/29/2011
Attachments	BriefOppositiontoMortionDismissStrike.pdf (9 pages)(321209 bytes)

the Amended Pleading that Cause 2 addresses Registration No. 2985751. It is appropriate to strike "and 3394514" from ¶55.

Cause 3

Registrant seeks to have Cause 3 dismissed. In so seeking, Petitioner makes an unsupported assertion that a challenge under 15 U.S.C. §1060 (Section 10 of the Lanham Act) can only be made against an intent-to-use application, and selectively quotes the Section. Inexplicably, Petitioner does not address the case law cited in the Amended Petition which unambiguously supports the concept that an owner of a trademark or service mark may not assign the rights to that mark "in gross," i.e. divorced from the appurtenant good will that the mark engenders.

In Marshak v. Green, 746 F.2d 927, 929, 223 USPQ 1099, 1100 (2d Cir.1984) there was no allegation that the tradename sought to be attached and sold at auction was an intent-to-use application. This case decided that the transfer would violate Section 10. A comparison of the statute as it existed at the time of Marshak and the current statute (found at the Appendix to this pleading),¹ finds amendments that clarify Section 10, but no textural changes that would implicate a different result in Marshak.

In Visa, U.S.A., Inc. v. Birmingham Trust Nat., 696 F.2d 1371, 1375, 216 U.S.P.Q. 649 (Fed. Cir. 1982) the Federal Circuit explained that the statutory support for the prohibition against an assignment in gross is found in the first sentence of Section 10. The Court explained, quoting Raufast S.A. v. Kicker's Pizzazz, Ltd., 208 U.S.P.Q. 699, 702 (E.D.N.Y.1980), that "if

¹ Designated Exhibit 14. The Appendix is based on the statute and statutory history as found at <http://uscode.house.gov>.

consumers are not to be misled from established associations with the mark, that it continue to be associated with the same or similar products after the assignment.'" Visa, U.S.A. at 1375. In the specific matter, the Court found that the Board's finding of an assignment in gross to be in error, since the services were sufficiently similar as to not be misleading. Visa, U.S.A. at 1376.

Here, the Amended Petition alleges that

"Cetaphil Restoraderm" bears no similarity to the RESTORADERM product for which goodwill was purported to be transferred to Galderma. A dermatologist seeking to recommend a product that has a special mechanism of delivering skin-restoring lipids and actives would be deceived if he or she recommended "Cetaphil Restoraderm," a product with the standard mixture of fatty substances.

Instead of a specialized composition, the standard fatty goo found in the average moisturizer would be obtained with "Cetaphil Restoraderm." Entertainment services are unique to the performers (see Marshak), making invalid an assignment divorced from the performers, and where there is no continuity in management nor of quality and style. Similarly, there is a marked disconnect between the special significance for RESTORADERM that dermatologists have learned, and the standard moisturizer that Galderma sells under the "Cetaphil Restoraderm" mark.

Subsection (a)(2) of Section 10 was extant, except for the later addition of one comma, when the cited cases were decided and does not bar this cause. Per subsection (a)(2) of Section 10, one can buy a trademark without buying the business, but one cannot append the trademark to a distant good that would mislead the relevant public.

In any case, fact finding aside, this is a cause that is recognizable under Section 10, and has been recognized by the Board. Accordingly, this aspect of the Combined Pleading should be denied.

Cause 4

Registrant seeks to have Cause 4 stricken as redundant or immaterial. Again, Registrant does not address the case law cited, nor does it address the cited Treatise. Petitioner erred in mis-identifying the source of statutory authority, which is 15 U.S.C. §1064(3) (Section 14(3) of the Lanham Act), as it relates to abandonment. Nonetheless, by reference to the cited authority, Petitioner submits that ample notice of the basis of the cause was provided.

Abandonment must be considered in light of the definition thereof at 15 U.S.C. §1027 (Section 45 of the Lanham Act), which reads in part:

When its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for 3 consecutive years shall be prima facie evidence of abandonment.

The allegation is that the difference in the goodwill associated with the original RESTORADERM and "Cetaphil Restoraderm" is so great that Registrant's substitution of a sophisticated product with a moisturizer goo worked a forfeiture. The Registrant, by the circumstances, has indicated an intention to drop the type of product to which the original goodwill attached. Registrant may contest whether the difference in the products is sufficient to work a forfeiture, or may perhaps assert other reasons why a forfeiture has not occurred. But the allegation is separate from other causes set forth in the Amended Petition, and is sufficient to provide notice to Registrant of the nature of this Cause 4.

The cause will in the end be sustained if Petitioner can show a substantial and misleading difference in the new product from that for which goodwill first attached. Petitioner has made this allegation. The Board has looked to the "inherent and identifiable characteristics" of the goods in addressing this question. See, E. I. Du Pont de Nemours & Co. v. G.C. Murphy Co.,

199 USPQ 807 (T.T.A.B. 1978). Petitioner's allegations indicate that "inherent and identifiable characteristics" of the goods are very distinct.

In light of the above discussion, Petitioner submits that this aspect of the Combined Pleading should be denied.

Causes 5 and 6

Registrant seeks to have Causes 5 and 6 stricken, and asserts that Petitioner's request for reconsideration is untimely. According to Trademark Trial and Appeal Board Manual §518, "the Board may, on its own initiative, reconsider and modify one of its orders or decisions if it finds error therein, and the Board may also, in its discretion, consider an untimely request for reconsideration or modification." Petitioner acknowledges that such is unlikely, and that its first interest at this stage is to preserve the issues.

Petitioner submits that it is not in dispute that "agreements to cease use of a mark or to not use a mark in a certain format are routinely upheld and enforced." Vaughn Russell Candy Co. v. Cookies in Bloom, Inc., 47 USPQ2d 1635, 1638 n. 6 (TTAB 1998). See also M-5 Steel Mfg., Inc. v. O'Hagin's Inc., 61 U.S.P.Q.2d 1086, 1095 (TTAB 2001); Bausch & Lomb Incorporated v. Karl Storz GmbH & Co. KG, 87 U.S.P.Q.2d 1526, 2008 WL 2252778, at *5 (TTAB 2008). Petitioner respectfully submits that an agreement to license carries with it a clearly implied term that should the license be terminated prior to full consideration being rendered to the licensor, the former licensee shall cease to use the mark. See, e.g., Dow Chemical Co. v. U.S., 32 Fed.Cl. 11, 19 (1994), aff'd in part, rev'd in part on other grounds, 226 F.3d 1334 (Fed. Cir. 2000). Petitioner respectfully submits that form should not be elevated over

substance, such that these causes should be heard despite the lack of a literal recitation of the phrase "cease to use."

In light of the above discussion, Petitioner requests that Causes 5 and 6 be restored.

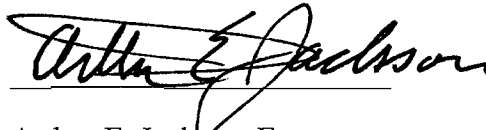
Conclusion

In light of the foregoing, Petitioner submits Cause 2 as it pertains to Registration No. 2985751 should be maintained, that Cause 3 should be maintained, and that Cause 4 should be maintained and not stricken. Petitioner further asks indulgence on its procedural mis-steps with respect to Causes 5 and 6, and that the Board look beyond form and see causes to enforce agreements to cease using the mark.

Respectfully submitted,

Date: April 29, 2011

By:

A handwritten signature in black ink, appearing to read "Arthur E. Jackson", written over a horizontal line.

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Exhibit 14

(Appendix to Petitioner's Brief in Opposition to Motion to Dismiss or Strike)

Sköld v. Galderma

Cancellation No. 92052897

Re Registration Nos. 2985751 and 3394514

APPENDIX TO PETITIONER'S BRIEF IN OPPOSITION TO MOTION TO DISMISS OR STRIKE

(Current Section 10 versus Section 10 prior to 1988 Amendments)

(a) (1) A registered mark or a mark for which an application to register has been filed shall be assignable with the goodwill of the business in which the mark is used, or with that part of the goodwill of the business connected with the use of and symbolized by the mark. Notwithstanding the preceding sentence, mark, . However, no application to register a mark under section 1051(b) of this title shall be assignable prior to the filing of an amendment under section 1051(c) of this title to bring the application into conformity with section 1051(a) of this title or the filing of the verified statement of use under section 1051(d) of this title, except for an assignment to a successor to the business of the applicant, or portion thereof, to which the mark pertains, if that business is ongoing and existing.

(2) In any assignment authorized by this section, it shall not be necessary to include the goodwill of the business connected with the use of and symbolized by any other mark used in the business or by the name or style under which the business is conducted.

(3) Assignments shall be by instruments in writing duly executed. Acknowledgment shall be prima facie evidence of the execution of an assignment, and when the prescribed information reporting the assignment is recorded in the United States Patent and Trademark Office, the record shall be prima facie evidence of execution.

(4) An assignment shall be void ~~as~~ against any subsequent purchaser for a valuable consideration without notice, unless the prescribed information reporting the assignment ~~it~~ is recorded in the United States Patent and Trademark Office within 3 ~~three~~ months after the date of the assignment thereof or prior to the such-subsequent purchase.

(5) ~~The United States A separate record of assignments submitted for recording hereunder shall be maintained in the Patent and Trademark Office shall maintain a record of information on assignments, in such form as may be prescribed by the Director.~~

(b) An assignee not domiciled in the United States may designate by a document filed in the United States Patent and Trademark Office the name and address of a person resident in the United States on whom may be served notices or process in proceedings affecting the mark. Such notices or process may be served upon the person so designated by leaving with that person or mailing to that person a copy thereof at the address specified in the last designation so filed. If the person so designated cannot be found at the address given in the last designation, or if the assignee does not designate by a document filed in the United States Patent and Trademark Office the name and address of a person resident in the United States on whom may be served notices or process in proceedings affecting the mark, such notices or process may be served upon the Director. ~~shall be subject to and comply with the provisions of section 1051(c) of this title.~~

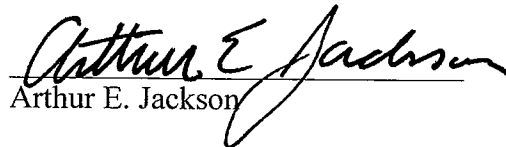
**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

Thomas Sköld,)	
Petitioner,)	
)	
v.)	
)	Cancellation No. 92052897
Galderma Laboratories, Inc.,)	
Registrant)	
)	

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Petitioner's Brief in Opposition to Motion to Dismiss or Strike and Appendix thereto was sent first class mail, postage pre-paid on this 29th of April, 2011 to:

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Arthur E. Jackson